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ILLINOIS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS CONDITIONS FOR ILLINOIS

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HIGHLIGHTS OF BUSINESS IN MAY

Industrial production increased in May for the first time since January. The principal factor in the advance was increased output of automobiles, which rose 5 percent above April and 12 percent above May, 1959. Greater production of some types of consumer goods and business equipment helped to counterbalance the continued decline in steel production, where the rate of capacity utilization fell from 80 percent in April to 71 percent in May. As a consequence, the index of industrial production rose from 165 (1947-49 = 100) in April to 167 in May.

The April spurt in retail sales did not carry over into May. The seasonally adjusted total fell from $18.9 billion in April to $18.4 billion. Auto sales were high, but the 567,000 American-built cars delivered by dealers amounted to only 7 percent more than May, 1959, the lowest year-to-year increase in 1960. Inventories of cars continued at a record high.

Capital Expenditures Near Peak

First-quarter outlays on new plant and equipment by business firms amounted to a seasonally adjusted annual rate of $35.1 billion, only $100 million under the original March estimate for that period and $1.5 billion above the rate for the preceding quarter (see p. 5). In addition, the latest report anticipates that spending in the second quarter of this year will be at an annual rate of $37.0 billion, an estimated gain of more than 5 percent over actual expenditures in the first quarter.

However, the current projections indicate lower rates of spending in the second half of the year than did the March report. The latter had anticipated an annual rate of $38.0 billion for the last six months of 1960, whereas the new survey projects the third-quarter rate at $37.5 billion, an increase of only 1.4 percent from the expected second-quarter rate.

Construction Unchanged

The seasonally adjusted annual rate of new construction amounted to $53.9 billion in May, the same as the revised figure for April. A decline of slightly more than $100 million in the rate of private construction was partly offset by a rise in public construction. Most of the reduction occurred in private residential building, but a number of other types of private construction showed small declines and none increased. The increase in public construction was centered in nonresidential buildings, but the $200 million gain in the annual rate for this category was almost offset by a decline in construction of military facilities. Small advances were reported for highways, public service enterprises, and conservation and development projects.

When the unadjusted May figures are compared with May a year ago, the total of $4.5 billion in construction spending was down 5 percent. Private construction of $3.2 billion was off 4 percent and public construction 7 percent. A drop of 11 percent from the May, 1959, expenditures on residential buildings was the principal factor in the contraction of private spending from the year-earlier month. Most other types of private construction showed gains between the two periods.

More Consumer Debt

The short- and intermediate-term debt of consumers expanded by a seasonally adjusted $692 million in April, raising the total outstanding to $52.2 billion. The latter figure represents an increase of 14 percent over April 30, 1959, and is equal to 15 percent of disposable personal income. Comparing the April increase with the $436 million added in March, it is apparent that the annual rate of credit expansion rose by over $3 billion in April.

Instalment debt accounted for $533 million of the rise, and nearly half of this was automobile paper. A big increase also occurred in other consumer goods paper. Total instalment credit outstanding at the end of April amounted to $40.3 billion. Noninstalment debt increased $159 million during the month, mostly as a result of additions to charge accounts.

April Sales Peak

Total manufacturing and trade sales rebounded $1.2 billion in April, after declining by $900 million in March. This brought the seasonally adjusted volume of business in April to $62.5 billion, of which almost half was accounted for by manufacturers' sales and nearly a third by retail sales. Retailers got $700 million of the increase, with the remainder divided evenly between wholesalers and manufacturers. Durable goods accounted for half of the retail increase and nearly all of that at the wholesale level, but nondurables contributed all of the gain by manufacturers. Inventories rose in line with sales.

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The Business Outlook

The stock market took off in early June and scored the sharpest weekly advance in several years. Initiating the rise was a reduction in the Federal Reserve rediscount rate from 4 to 3½ percent. This trivial economic event was, in effect, merely a belated official recognition of the disappointing business conditions experienced so far in 1960. Also cited as a basis for the spurt was an alleged high rate of auto sales in May; actually, the seasonally adjusted rate of sales was lower than in April. Such is the logic of unthinking speculation!

The rise in stock prices despite business weakness is reminiscent of the abortive market recovery in the summer of 1937. The analogy is close enough to warrant the interested reader's taking time to look up the charts showing what happened that year.

Beginning of Recession

Acting as underpinning for the soaring speculative fever was the recent rash of optimistic forecasts from Washington and business executives. The new consensus on the outlook holds that the current slowdown in business is healthy and will lead to a new pickup in the autumn. The possibility that this may be as badly mistaken as the optimistic consensus prevailing last December is studiously ignored.

The only sense in which a correction took place in April was that some retreat from the first-quarter extreme occurred. Business inventory accumulation dropped back from an annual rate of over $10 billion to $3.5 billion. This offered some hope that any further adjustment would be small. However, two points should be noted. First, the April inventory shift was exaggerated by a temporary surge in demand with improvement in the weather. The spring quarter as a whole will probably average higher than April — say, $5.5 billion — but still be down almost $5 billion from the first-quarter rate.

The second is that inventories have to be considered in relation to changes in consumer credit. The rate of expansion of the latter jumped from $5.2 billion in March to $8.4 billion in April. Thus, approximately half of the April improvement on inventory account was offset by the shift on consumer credit account. These changes were together contributing $12 billion in April as against $15 billion in March. On any realistic appraisal, this $12 billion rate is too high to be sustained, so that a further and more substantial decline is likely to occur in the months ahead.

Business inventories are currently more than $1 billion above the previous peak reached in 1957 and are still rising. The Commerce Department pointed out that the ratio of inventories to sales remained stable in April. Over the past year, however, the ratio has been rising, and with higher inventories and lower sales it rose further in May. Allowing for the long-term decline in the ratio of inventories to sales, stocks are already somewhat above normal, and further increases can only add to the excess. At a minimum, accumulation must stop, and a swing to liquidation will probably occur before the end of the year. This reversal will dominate the movement of the economy in the months ahead. Furthermore, consumer credit expansion is likely to cease with any decline in incomes, as in 1958. The combined effect represents a deflationary potential of $15 billion to $20 billion, far more than any prospective improvement in other factors.

Some Elements of Stability

Foremost among the factors that are supposed to sustain the boom are business outlays for new plant and equipment. What has become increasingly evident, however, is that no boom in business capital formation is in prospect. We are already at the peak rate for the year, assuming the anticipated second-quarter average of $37 billion is being realized. This would be $1.8 billion above the first quarter, but preliminary indications from other data — such as construction activity, production, and new orders — fail to support the survey anticipations. Even if met, the comforting predictions fall short of what is needed, and the indicated stability for the rest of the year turns the outcome back to the unstable factors. If expectations are not realized, the decline will add to the total of deflationary forces.

Residential construction is more of a question mark. Homebuilding has been declining almost steadily during the past year, and housing starts in recent months have fallen over 20 percent from last year's rate. However, the money market has eased, and even though mortgage interest rates are continuing at the peak, more funds are available to builders. In addition, the Housing Administrator decided to use the authority of 1958 legislation to reduce further the required downpayments on medium-cost houses. The effects of these changes cannot yet be effectively gauged, but it would not be surprising if the decline were at least temporarily halted. On the other hand, there are as yet no indications of another substantial recovery in building like those that helped lift the economy out of earlier postwar recessions.

Government spending also seems likely to remain comparatively stable. Federal purchases of goods and services have drifted off during the past year, and this represents a definite decline in real terms. The movement came to an end with the hiring of the census takers, but the disappearance of this temporary influence will make for lower rates again later in the year. The Administration is still firmly restricting expenditures. Even Khrushchev's belligerence in the Summit fiasco did not result in adding much over $1 billion to the defense budget. Nevertheless, expenditures will tend to increase in the year ahead, and any unfavorable economic developments will hasten the rise. In real terms, however, the additional contribution will be very small this year and is hardly likely to exceed a half percent of gross national product by the middle of next year.

(Continued on page 8)

CORN—OUR GOLDEN CROP

Corn, which is appropriately called the backbone of American agriculture, has been a principal crop since the very early years of this country. It is one of the few important plants indigenous to the Western hemisphere and was extensively cultivated here centuries before the arrival of white men. In fact, a number of varieties had already been well developed by the Indians before the advent of the early explorers.

Corn quickly became a primary crop for early settlers because of its easy cultivation, good yields, and its qualities as a food for both man and animal. Although the size of the corn crop has undergone wide fluctuations from year to year, it has been gradually climbing. Annual production reached more than a billion bushels by 1870, an output which was doubled by 1890 with the filling in of the West and the development of efficient farm machinery. Between 1900 and 1935, production fluctuated between 2.3 billion and 2.7 billion bushels. The widespread use of hybrids has helped to produce an average annual crop of 3.3 billion bushels since World War II.

Corn has been cultivated in other parts of the world during the past four centuries. However, countries outside the Western hemisphere lag far behind in production. The United States alone annually accounts for about three-fifths of world output and is the principal exporter of corn, shipping out more than one-half the world total.

A Giant Crop

Corn is the leading crop of the nation. The total value of production in 1959 was set at $4.4 billion, or about one-fourth the value of the nation's entire field crops. More than 4.3 billion bushels were produced last year, surpassing the 1958 record crop by 500 million bushels. The spurt was related to the increase of 11 million acres in corn planting following the removal of the 25-year-old acreage allotments for this crop in November, 1958.

Some corn is grown in every state, but the seven states making up the Corn Belt annually produce nearly 70 percent of the total corn crop on less than 50 percent of the total corn land. The productivity of the region in corn growing results from its rich and well-aerated loams, moderate rainfall, and adequate growing season.

The most important utilization of corn is for the feeding of livestock, with about 90 percent of the nation's harvested corn being used for this purpose. Hog production in the Corn Belt region is especially influenced by the size of the corn crop. The number of hogs produced from year to year depends more or less on the price of hogs relative to the price of corn. In Illinois and most corn states, hogs consume about one-half of the corn fed to livestock, while cattle eat approximately one-fourth.

There is a diversity of uses for the remaining 10 percent of corn output. Broadly, they are the manufacture of starches, corn syrup, and other wet milling products (4 percent), food for human consumption (3 percent), alcohol production (2 percent), and miscellaneous, such as for seed (1 percent). In all, about one-fourth of the crop leaves the farm for marketing, of which more than half goes to other farms for animal feed.

Hybrid Corn

The development of hybrid seed corn, which together with the increased use of fertilizer and power machinery more than doubled the national per-acre yield between 1930 and 1959, is easily the most important crop improvement of the present century. Research and intensive experimentation toward finding effective hybrid strains did not occur until the turn of the twentieth century and was not developed on a large scale until the 1930's.

Only one-tenth of 1 percent of our corn acreage was planted with hybrid seed in 1930. Today, more than 92 percent of the total acreage is planted with such seed. Illinois and Iowa, the nation's top corn states, have been planting solely with hybrid seed since 1949. The effect of hybrids upon total production is partly revealed by the fact that in the period 1930-59, acreage declined 29 percent to 73 million acres, whereas production rose 87 percent to 4.3 million bushels. During the same period, yields per acre rose from 21 bushels to 52 bushels nationally and from 26 bushels to 67 bushels in Illinois.

Illinois — Commercial Corn Leader

Illinois has been a forerunner in the use and development of hybrid seed corn. Corn-breeding experiments were first begun at the University of Illinois Agricultural Experiment Station in 1896. The first hybrids suitable for the Corn Belt were developed at the McLean County Government Experiment Station at Bloomington in 1916. In addition, the early leadership of Illinois farmers in the hybrid field resulted from the fact that three of the four largest early hybrid seed companies were in Illinois. These four companies were instrumental in getting widespread distribution of commercial hybrid seed in Illinois and surrounding states during the 1930's.

Illinois and Iowa together account for approximately one-third of national production. Last year, Illinois harvested a record 673 million bushels valued at $727 million on more than 10 million acres.

Corn is not only the main source of feed for livestock in the State but is also a principal source of farm income. Cash sales of corn, which reached more than $378 million in 1959, accounted for approximately one-fifth of total cash receipts from all Illinois farm marketings, and made up about one-fourth of the national farm income earned from the sale of corn.

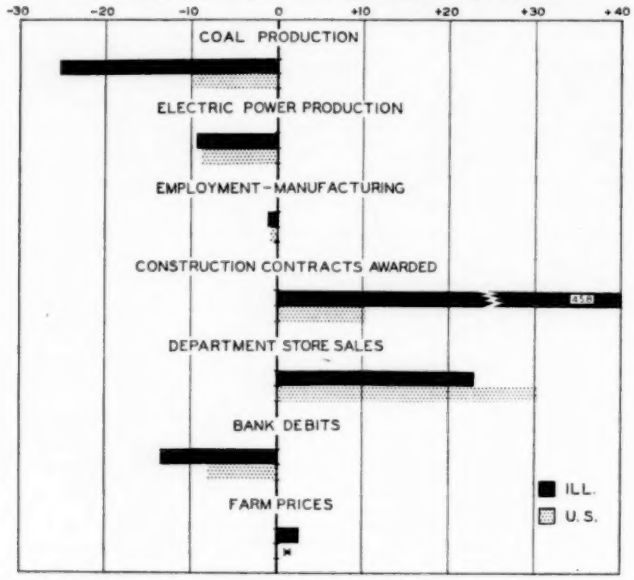
An average of 45 to 50 percent of the state's crop lands are used for corn planting. The magnitude of the crop is made vivid by the fact that one of every three square miles in Illinois has corn grown on it.

The state's major corn-growing area is on a line extending from east-central Illinois in Champaign County northwestward to Whiteside and Henry counties. Through this area corn yields averaged 75 bushels an acre, compared with 67 for the entire State, in 1959. The leading corn county last year was McLean (23 million bushels), followed by La Salle (22 million) and Livingston (19 million). All but seven counties in Illinois raise more than a million bushels annually.

STATISTICAL SUMMARY OF BUSINESS ACTIVITY

SELECTED INDICATORS

Percentage changes March, 1960, to April, 1960



* No change.

ILLINOIS BUSINESS INDEXES

Item	Apr. 1960 (1947-49 =100)	Percentage change from Mar. 1960	Percentage change from Apr. 1959
Electric power[1]	225.1	− 9.4	+ 2.0
Coal production[2]	69.9	−25.3	− 5.1
Employment—manufacturing[3]	101.2[a]	− 1.1	+ 0.2
Weekly earnings—manufacturing[3]	171.4[a, b]	+ 1.9	+ 1.2
Dept. store sales in Chicago[4]	134.0[c]	+ 8.1	+ 6.3
Consumer prices in Chicago[5]	129.5	+ 0.2	+ 1.6
Construction contracts awarded[6]	420.2	+45.8	+ 2.4
Bank debits[7]	204.0	−13.5	+ 0.7
Farm prices[8]	83.0	+ 2.5	− 2.4
Life insurance sales (ordinary)[9]	298.5	− 7.7	−10.0
Petroleum production[10]	118.8	− 3.5	+ 0.7

[1] Fed. Power Comm.; [2] Ill. Dept. of Mines; [3] Ill. Dept. of Labor; [4] Fed. Res. Bank, 7th Dist.; [5] U. S. Bur. of Labor Statistics; [6] F. W. Dodge Corp.; [7] Fed. Res. Bd.; [8] Ill. Crop Rpts.; [9] Life Ins. Agcy. Manag. Assn.; [10] Ill. Geol. Survey.

[a] Revised series. [b] Data are for March, 1960; comparisons relate to February, 1960, and March, 1959. [c] Seasonally adjusted.

UNITED STATES MONTHLY INDEXES

Item	Apr. 1960	Percentage change from Mar. 1960	Percentage change from Apr. 1959
	Annual rate in billion $		
Personal income[1]	397.4[a]	+ 0.9	+ 4.9
Manufacturing[1]			
Sales	373.2[a]	+ 1.0	+ 3.0
Inventories	50.6[a, b]	− 6.8	− 0.4
New construction activity[1]			
Private residential	19.5	+ 9.5	− 9.7
Private nonresidential	15.8	+ 2.2	+10.0
Total public	14.2	+20.1	− 7.6
Foreign trade[1]			
Merchandise exports	21.0[c]	+11.1	+20.3
Merchandise imports	16.5[c]	+ 6.8	+ 6.2
Excess of exports	4.5[c]	+30.4	+133.6
Consumer credit outstanding[2]			
Total credit	52.2[b]	+ 2.0	+51.4
Instalment credit	40.3[b]	+ 1.6	+28.9
Business loans[3]	36.1[b]	+ 0.2	n.a.
Cash farm income[3]	25.7[c]	+ 3.3	+ 1.6
	Indexes (1947-49 =100)		
Industrial production[2]			
Combined index	109[a, d]	0.0	+ 1.9
Durable manufactures	106[a, d]	− 1.9	+ 1.0
Nondurable manufactures	113[a, d]	+ 0.9	+ 2.7
Minerals	97[a, d]	+ 2.1	− 1.0
Manufacturing employment[4]			
Production workers	101	+ 0.1	+ 1.4
Factory worker earnings[4]			
Average hours worked	99	− 0.8	− 2.2
Average hourly earnings	171	− 0.4	+ 2.2
Average weekly earnings	169	− 1.2	− 0.0
Construction contracts awarded[5]	295	+10.3	−11.1
Department store sales[2]	154[a]	+11.6	+ 6.9
Consumer price index[4]	126	+ 0.4	+ 1.9
Wholesale prices[4]			
All commodities	120	0.0	0.0
Farm products	91	+ 0.8	− 1.4
Foods	107	− 0.5	− 0.4
Other	129	+ 0.1	+ 0.3
Farm prices[3]			
Received by farmers	89	0.0	− 1.1
Paid by farmers	121	+ 0.8	+ 1.7
Parity ratio	80[e]	0.0	− 2.4

[1] U. S. Dept. of Commerce; [2] Federal Reserve Board; [3] U. S. Dept. of Agriculture; [4] U. S. Bureau of Labor Statistics; [5] F. W. Dodge Corp.

[a] Seasonally adjusted. [b] End of month. [c] Data are for March, 1960; comparisons relate to February, 1960, and March, 1959. [d] 1957 = 100. [e] Based on official indexes, 1910-14 = 100. n.a. Not available.

UNITED STATES WEEKLY BUSINESS STATISTICS

Item		1960					1959
		May 28	May 21	May 14	May 7	April 30	May 30
Production:							
Bituminous coal (daily avg.)	thous. of short tons	1,402	1,404	1,376	1,379	1,383	1,422
Electric power by utilities	mil. of kw-hr.	13,572	13,468	13,350	13,139	13,300	12,778
Motor vehicles (Wards)	number in thous.	172	183	171	172	165	143
Petroleum (daily avg.)	thous. bbl.	6,815	6,864	6,794	6,771	7,014	7,203
Steel	1947-49 =100	109	118	122	124	128	154
Freight carloadings	thous. of cars	640	637	640	642	643	688
Department store sales	1947-49 =100	139	138	134	156	151	122
Commodity prices, wholesale:							
All commodities	1947-49 =100	119.7	119.8	119.9	119.8	119.8	119.9[a]
Other than farm products and foods	1947-49 =100	128.4	128.4	128.4	128.4	128.6	128.4[a]
22 commodities	1947-49 =100	86.3	86.6	85.9	85.3	85.4	88.2
Finance:							
Business loans	mil. of dol.	31,172	31,222	31,053	31,013	30,940	n.a.
Failures, industrial and commercial	number	299	313	304	327	325	264

Source: *Survey of Current Business, Weekly Supplements.*

[a] Monthly index for May, 1959. n.a. Not available.

RECENT ECONOMIC CHANGES

Manufacturers' Sales and Inventories

Manufacturers' inventories continued to rise in April, reaching $54.6 billion at the end of the month, $300 million above the March level. Sales also showed a $300 million advance during the month from $30.8 billion in March to $31.1 billion in April. Incoming orders, however, failed to keep pace with the gain in sales, with the result that unfilled orders fell for the fifth month in a row. At the end of the month the order backlog stood at $48.3 billion, down from $49.5 billion the month before.

About half of the April increase in inventories occurred in the durable goods industries. As shown in the accompanying chart, durable goods inventories have been rising steadily since last November and, by the end of April, had increased $2.7 billion, or 9 percent. The latest monthly advance amounted to $150 million, much smaller than the increases of the preceding three months, and left durable goods inventories at $31.9 billion in April.

While inventories continued to rise, manufacturers' sales of durable goods fell $100 million in April to $15.1 billion. As a result, the ratio of inventories to sales in the durable goods sector rose to 2.11 in April, compared with 1.94 a year ago.

Construction Contract Awards

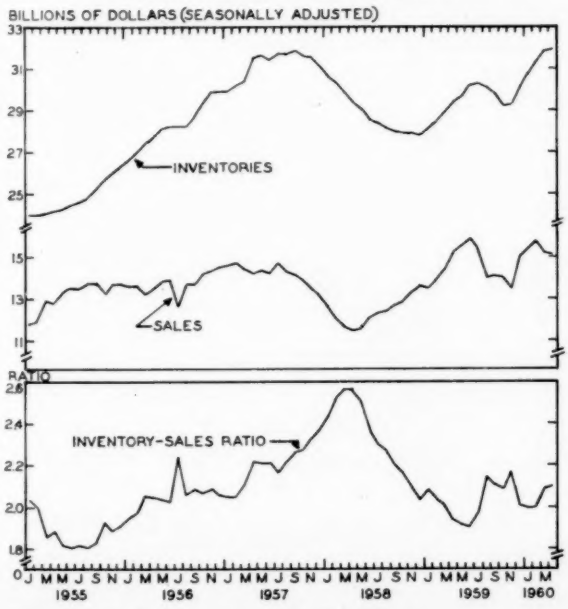
In April contract awards for future construction fell below year-earlier levels for the ninth consecutive month. According to the latest report by the F. W. Dodge Corporation, April awards dropped 11 percent below the same month last year to a little more than $3.3 billion. In March contract awards amounted to $3 billion.

Housing continued to lead the year-to-year decline as total residential building contracts fell 19 percent in dollar value from a year ago to $1.5 billion. The physical volume of dwelling units represented by April contracts totaled 110,000, down 22 percent from April, 1959. Nonresidential contracts also contributed to the decline, falling 12 percent to $1 billion from the April, 1959, level of $1.2 billion.

The declines in residential and nonresidential contracts more than offset increases in awards for heavy engineering work. April contracts for heavy engineering totaled $833 million, a gain of 9 percent over the same month last year.

On a cumulative basis, construction contracts awarded in the first four months of this year totaled $10.8 billion, 8 percent below the corresponding 1959 period. Of this amount, residential contracts accounted for $4.7 billion, off 14 percent from last year; nonresidential awards amounted to $3.6 billion, down less than one-half of 1 percent; and heavy engineering totaled $2.5 billion, off 4 percent from last year.

SALES AND INVENTORIES OF DURABLE GOODS MANUFACTURERS



Source: U. S. Department of Commerce.

Capital Expenditures

The latest survey by the Securities and Exchange Commission and the Department of Commerce indicates that business outlays for new plant and equipment may fall a little short of the $37 billion mark forecast earlier. Although first half expenditures are expected to continue to rise in the second quarter, the lastest figures indicate a slowdown in the rate of expansion during the second half of the year. Data by major industry group for the first three quarters are as follows:

BUSINESS CAPITAL EXPENDITURES
(Seasonally adjusted, billions of dollars at annual rates)

	Actual	*Anticipated*	
	1st Qtr.	*2nd Qtr.*	*3rd Qtr.*
Manufacturing	14.1	14.8	15.1
Durable goods	7.2	7.3	7.6
Nondurable goods	7.0	7.5	7.6
Mining	1.0	1.1	1.1
Railroads	1.0	1.1	1.2
Non-rail transportation	2.0	2.4	2.3
Public utilities	5.8	5.8	5.9
Commercial and other	11.4	11.9	12.0
Total	35.2	37.0	37.5

Foreign Trade

The value of commercial exports rose 3.5 percent in April to the highest level in almost three years. April shipments of goods, other than military aid, totaled over $1,691 million, compared with $1,634 million in March and $1,343 million a year ago. The April figure was the highest since May, 1957, when exports amounted to $1,711 million.

Whereas exports expanded in April, imports fell below the previous month by about 9 percent. In its latest report, the Commerce Department stated that April purchases from abroad were reduced to $1,257 million from the March level of $1,375 but were 3 percent greater than the $1,220 million of April, 1959. Much of the decline in imports resulted from a decrease in metals imports, as the United States made fewer purchases of foreign copper, aluminum, and steel mill products.

Through the January-April period, commercial exports totaled $6,307 million, 22 percent above the $5,186 billion level for the same period last year. At the same time imports were up only 6 percent, from $4,787 million in 1959 to $5,057 million in the first four months this year. Thus, the export surplus for 1960 has already reached $1,250 million, compared with $1,127 million for all of 1959.

SPACE-SATELLITE BROADCASTING: THREAT OR PROMISE?

DALLAS W. SMYTHE, Research Professor, Institute of Communications Research

Recent technical advances have opened up the prospect of a vast increase in international broadcasting and point-to-point communications through the use of space satellites. This is no longer in the realm of science fiction. The capability now exists in the United States and in the Soviet Union for relaying communications from space satellites to people all over the world.

However, the world is quite unprepared for this development. No provision has been made to reach international agreement on the use of this new capability. Its utilization by the individual countries in the absence of a prior agreement on how it is to be used carries the threat of chaos in the air waves and of heightened tension in international relations.

The Nature of the Threat

Serious international problems arising out of the use of the air waves for communications already exist. One is the growing competition for frequencies. Former Commissioner E. M. Webster of the Federal Communications Commission has characterized this as follows:

> The extreme excess of the demand for frequencies in the post-war world over the available supply has now made virtually all countries *competitors* for frequencies. This has enormously complicated telecommunications negotiations from the time of the first post-war conference at Atlantic City in 1947 . . .
>
> New empires can be built in the radio frequency field just as they can in any other field. It is perhaps significant to note here that when the Russians recently walked out of the Provisional Frequency Board meeting in Geneva, . . . they accused the United States of "expansionist tendencies," . . . trying to use its influence to take all and to leave the other fellow nothing. It is indeed unfortunate that the situation among our own government and industrial users parallels this so closely: each fellow tries to get all he can and then accuses the other fellow of leaving him nothing.

The military services press for greater allocations of the radio spectrum for their point-to-point communications, as do industrial and shipping interests. Scientists complain of inadequate provision of frequencies for astronomical and other space research.

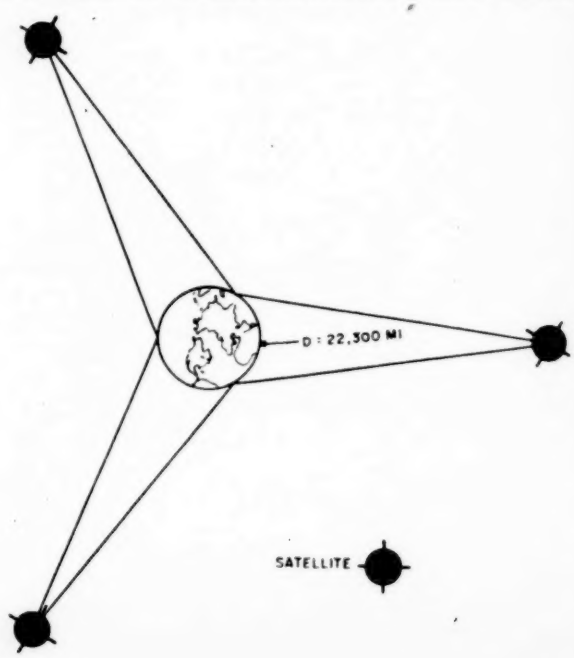
Closely related to the problem of frequency allocation is that of the use to be made of frequencies. In the absence of control over use, frequencies assigned to countries for international broadcasting have often been used for aggressive propaganda purposes. The League of Nations did adopt a set of principles in 1938 prohibiting broadcasts "of such a character as to incite the population of any territory to acts incompatible with internal order or security" and emphasizing the importance of ensuring the "accuracy" of broadcast information concerning international relations. However, these principles have not been applied. In the years since World War II the systematic use of aggressive propaganda broadcasting to other countries, with its concomitant practice of jamming, has been one of the major sources of tension in the cold war.

Inadequate transmitting, receiving, and other broadcasting facilities in the underdeveloped countries may be said to be another international problem in the same sense that the economic and social development of these countries is an international problem. Some 117 countries, with 58 percent of the world's population, have less than 5 radio receivers per 100 inhabitants. Few countries in Africa have as much as 1 radio per 100 persons, Asia is almost as poorly equipped, and much of Central and South America is inadequately supplied. These conditions prevent effective utilization of broadcasting for educational and informational purposes, although it clearly has advantages over other media in areas where illiteracy is high, transportation is poor, and foreign exchange is scarce. So far as the obstacles to the use of broadcasting in the less developed parts of the world are overcome — whether by aid from the industrially advanced countries or through self-development — the competition for radio frequencies will be intensified and concern over their use for propaganda purposes will be increased.

These international problems will grow and others will arise as a result of the development of the technique for space-satellite communications. Steps are already being taken to make use of this technique. In the United States an "active" relay system with world-wide coverage via three satellites orbiting near the equator so as to maintain fixed locations in relation to the earth's surface at an elevation of 22,300 miles (plus four satellites at somewhat lower altitudes to cover the polar regions) is under development. (See diagram.) A system of more limited range is now being pushed up, consisting of a reflector and active satellites at an altitude of 1,000 miles. These systems are designed for military use, but similar systems could provide links between all continents for high-quality civilian radio and TV signals and for commercial point-to-point communications. The U.S.S.R. is proceeding with the development of its own space-satellite communications system.

The danger inherent in the development of space-

DIAGRAM OF COMMUNICATIONS SATELLITES



satellite communications lies in the additional strain it will place upon international relations in the absence of international agreements on policy and organization to control its use. As things now stand, the world faces the probable extension of cold war rivalry by this means. The first power to begin extensive use of this new means of communication will initiate the deadly cycle. The second power will then try to outdo the first with a rival space-satellite communications system, and so on until international agreement becomes almost impossible to achieve. The extension of radio and TV broadcasting range to the whole world will intensify the propaganda use of these media.

Inadequacy of Present Organization

Unfortunately, there exists today no international organization with stature adequate to cope with the urgent problems in the use of the radio spectrum for communications. The consequence is that these problems are dealt with unilaterally or bilaterally at the national level. There they are handled as political issues by foreign offices and heads of state, or — at the lower level — by specialized national administrative agencies or the private corporations which operate communications facilities. The further consequence is that these problems, as between the great powers, are pawns of cold-war pressures, while the needs of the underdeveloped countries in this area languish for want of proper international organization as a means to solution.

The International Telecommunications Union, some might think, should be able to provide the needed forum for policy-making and administration. The ITU for more than a century has been developing integration in technical standards, operating procedures, and rates of common carriers of communications by wire and radio. It also administers the policy on allocation of radio frequencies which is determined periodically by its more than 100 member nations. It is the United Nations' special agency for telecommunication affairs. It maintains close relation both with the UN and with other special agencies such as UNESCO, as well as with such regional organizations as the European Broadcasting Union and the International Radio Organization. It may well be that within the experience of the ITU and its associated organizations there may be found the elements of organization and policy which might be extended to the world-wide arena as a means of solving the present international problems of broadcasting.

The ITU, however, does not have the jurisdiction to tackle these problems in the *use* of radio frequencies once allocated. The best evidence of its strength and weakness in this regard is supplied by its position on space communications. In its 1959 Plenipotentiary Conference, the ITU adopted a resolution on "Telecommunication and the Peaceful Uses of Outer Space Vehicles." Its concerns in this connection are stated to be the provision of international cooperation and agreements for (1) allocation of radio frequencies, (2) standards for telecommunication equipment, (3) codes for transmission of information from space vehicles, and (4) adaptation of the general telecommunication network to meet the data-processing requirements on the surface of the earth. It is significant that here the ITU was declaring its capacity to handle international problems in the stated respects for *all outer space vehicles,* not simply those concerned with satellite broadcasting. This technical competence marks the boundary of ITU's jurisdiction. For the same resolution concludes with a plain warning:

> It is important to note that . . . the part to be played by the I.T.U. in the use of outer space will be limited to technical and operational aspects of the new telecommunications means to be developed. As regards the possible purposes for which these means are used, the I.T.U. is not responsible for contemplating any regulation or control.

It would be quite wrong to assume that, having no jurisdiction to deal with the *use* problems of international broadcasting, the ITU ignores them. On the contrary, we find it warning us of the significance and gravity of the problems and of the fact that no adequate organization exists for their solution. Thus, in its 1959 report to the UN Economic and Social Council quoted above, the ITU says:

> Telecommunication already plays a very important part in the modern world with its influence on the political, economic and social levels. Moreover, scientific and technical progress in the next ten years will introduce unprecedented achievements in this field and it is no exaggeration to assert here and now that telecommunication will play a primary role both on the national and on the world levels and it could also be pointed out that the most difficult problems are not generally of a purely technical nature and that telecommunications questions should more and more command the attention of governmental authorities at the highest level. . . . Obstacles to freedom of information as far as transmission are concerned will hence soon be only of a political and economic nature and the I.T.U. can but express the hope that the appropriate international organizations will soon manage to overcome them.

If not the ITU, then why not look to UNESCO to solve the use problems confronting international broadcasting? UNESCO as presently constituted is not adequate to the task of accommodating the political, economic, and social pressures which comprise the obstacles to orderly international use of radio frequencies (be it space-vehicle broadcasting, high-frequency international broadcasting, or the development of large programs for the use of radio for underdeveloped countries). For this there are obvious reasons. UNESCO's jurisdiction is much broader than these crucial problems. Even its Division of Mass Communications has its efforts spread over cinema, print media, and visual aids as well as TV and aural broadcasting. UNESCO is thus organizationally too diffused over the whole cultural area to be appropriate as the means for solving the political and economic problems of international cooperation in telecommunications. Moreover, UNESCO is not invested by its member states with the staff, budget, or responsibility needed to cope with these problems. UNESCO has, within its limited resources, done good work with some aspects of radio and TV in relation to underdeveloped countries, and it has done excellent work in its efforts to improve the quality of TV and radio programming. But it involves no invidious reflections on the hard-working personnel of UNESCO to conclude that it was neither established to conduct, nor is now able to conduct, the essentially negotiatory and administrative functions required to solve the use problems of radio which concern us here.

New Basis for Negotiation

This analysis leads to a plea for the creation of a new specialized agency of the United Nations to fill the vacuum existing in the area of use problems of radio.

It should be designed initially for international negotiations leading to agreements on such problems as space-satellite broadcasting, high-frequency propaganda broadcasting, and provision of radio aid to underdeveloped countries. In designing this new agency, provision should be made for it to take on whatever administrative duties are entailed by the agreements. As concerns staff, men of the stature appropriate to international negotiation on nuclear fission and disarmament should be named to conduct it.

It would be presumptuous to speculate further as to its program and organization. One suggestion, however, is in order. There is to be found in the experience of the European Broadcasting Union and the International Radio Organization much pertinent information bearing on the question of how international collaboration can be achieved for joint operation of an international network for broadcasting. In particular, the experience with "Eurovision" (the thirteen-member international TV network in Western Europe) and with "Intervision" (the Socialist Bloc counterpart) may provide a prototype for the international organization which some day may operate what might be called "The Space-Satellite Broadcasting Agency."

In this summary presentation, many pertinent problems have been slighted. For example, differences in language, national institutions, and mores will present severe problems in international programming for space-satellite broadcasting. They may force such broadcasting to begin on a lowest common denominator of programs of weather information, public events, and sports events. Problems of multiple engineering standards for TV and questions of available spectrum space for broadcast channels which existing broadcast receivers will accept have also been passed over. But these and other problems as yet unforeseen exist in order to be solved. They will be solved by following the policy which former FCC Commissioner E. M. Webster observed to be implicit in international frequency allocation: "Each user and group of users has been forced by circumstances to accept a policy of 'give and take,' realizing that he must give in some instances in order to receive in others." Our technology has offered us the means to use radio for world purposes of a constructive kind. The unacceptable alternative is to use it to promote destructive tendencies.

The Business Outlook

(Continued from page 2)

By a quirk of seasonal adjustment, state and local purchases jumped almost $2 billion from the fourth quarter of 1959 to the first quarter of 1960, helping to achieve the "magic number" of $500 billion for gross national product. By reason of the same quirk, the advance in expenditures will now be slower. In real terms, the advance over the past year represented an increase of about $1.5 billion in the rate. There are already indications that even this moderate rate of increase cannot be depended on in the year ahead, and in the event of a downturn, with consequent loss of tax revenues, programs will be more definitely restricted.

Net exports have achieved a sharp turnabout and at the $1.2 billion first-quarter rate had contributed almost $2 billion to the over-all advance from the fourth quarter. Some temporary gains in exports — mainly in cotton but also in jet aircraft and some other items — contributed to this improvement. These will not provide any further stimulus and, in addition, our basic competitive disadvantage in relative costs at existing exchange rates will make gains in trade position difficult. Although some further increase may occur, it is not likely to be significant in the over-all picture.

Threat of More Serious Decline

All the components of gross national product except inventory change and consumption thus promise to remain comparatively stable on a constant dollar basis, and in the aggregate this stability may be expected to persist through the rest of the year. This is not undesirable in itself, though it falls short of the growth needed to sustain investment. Of greater immediate significance, however, is the fact that inventory changes will be the one decisive factor moving the total. This means that total nonconsumption expenditures will be likely to fall by some $5 billion in the second quarter and, since even a reduced rate of accumulation is not warranted, will probably continue down in the last half of the year.

Consumption has risen so steadily in recent years that many now expect it always to increase. Since the primary determinant of consumption is income, this expectation is illogical. It may be conceded that there are some positive trend components in consumption which tend to persist through adverse changes in income. In part, these reflect the effects of price increases in such areas as rent, medical care, utilities, and personal business. The real part, after these price effects are removed, is very small — say, $2 billion on a year-to-year basis. This is less than 1 percent of total consumption at a rate of $320 billion, and it may easily be offset by a small upward shift in the rate of saving. Such a shift occurred in 1958 and is likely to occur whenever consumer credit falls from expansion to liquidation or from a high to a low rate of expansion.

It may be pointed out that consumption is increasing in the second quarter — even though only a billion or two in real terms — and not decreasing along with the nonconsumption components of gross product. This, however, represents just the usual lag effect in receiving and spending income. Being temporary, it cannot signify any continuing stimulus to expenditures.

Personal income will, of course, be sustained by the automatic stabilizers. Under present programs these should cut any decline in disposable income to about half of the corresponding decline in gross product. Nevertheless, consumption cannot be expected to go its own way in a recession. It will be more stable, as usual, but contribute something to the deflation.

The logical way to look at the current situation, therefore, is to regard it as the early phase of an inventory recession and to ask, How far will the recession go? The answer lies in the behavior of fixed investment. If home-building and business capital formation hold comparatively steady, it may again be short and moderate. Even then it is likely to be at least as bad as 1958. The greater danger lies in wider liquidation, affecting not only business inventories but other kinds of assets and debt. If the recession breaks the speculative boom in the stock market — an eventuality to be feared, since stocks are priced for growth in profits and not for declines — the probability of widening liquidation will be distinctly increased.

VLB

BUSINESS BRIEFS

PUBLICATIONS AND DEVELOPMENTS OF BUSINESS INTEREST

Gains in Business Population

The *Survey of Current Business* for May, 1960, reported that the United States nonfarm business population reached nearly 4.7 million operating concerns on January 1, 1960, a gain of 75,000 firms, or almost 2 percent from the preceding year. This is a continuation of the small yearly net gains that have been characteristic of the past decade. There were 420,000 new businesses established during 1959, slightly more than in 1958; discontinued firms numbered about 345,000 in both years.

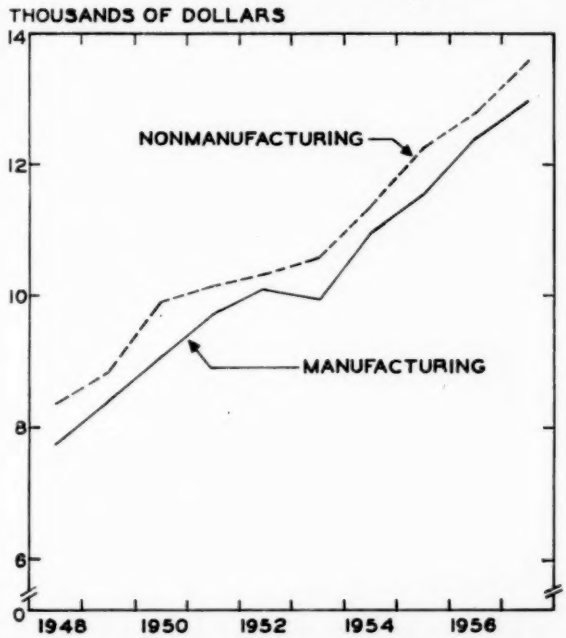
The recent rise was attributable to small net increases in all major industrial segments. Services continued to have the largest relative growth (2.9 percent), whereas manufacturing and retail trade experienced gains of only 0.9 percent and 1.0 percent respectively. The number of wholesale trading concerns increased 1.3 percent over the previous year, and contract construction firms rose 1.9 percent during 1959, after remaining virtually unchanged during 1957 and 1958.

New Statistics of Corporate Income

The United States Treasury Department has recently released its *Statistics of Income, 1957-58, Corporation Income Tax Returns.* This report provides summary financial statistics derived from a sample of all corporation income tax returns filed with accounting periods ending between July, 1957, and June, 1958. About 985,000 returns were filed, of which approximately 940,000 were for active corporations.

In addition to the usual size and industry data, this 1957-58 report contains much new financial information. For example, corporation returns are classified for the first time by size of profit ratio (net income on business receipts) and by size of turnover ratio (business receipts to total assets). Such an accumulation of data by ratio size classes for the whole corporate population provides a new framework for analyzing business operations. Also, the report contains tables that indicate the methods corporations use to compute depreciation and the frequency with which corporations use each of the 21 component accounts of the balance sheet appearing on the income tax return form.

CAPITAL INVESTED PER EMPLOYEE IN CORPORATE INDUSTRY



Source: National Industrial Conference Board, *Business Record,* May, 1960, p. 6.

Foreign Travel

Data released by the American Society of Travel Agents indicate that Americans are now spending more money on foreign travel than on their combined expenditures for foreign automobiles, foreign textiles, and foreign newsprint. Foreign travel has become by far America's largest "import." Preliminary figures disclose that about 1.5 million Americans traveled abroad in 1959, an increase of nearly 5 percent over 1958. These tourists spent approximately $2.3 billion, nearly 10 percent more than the previous year's figure.

In 1959, 732,000 passports were issued or renewed, 8 percent more than in 1958. Of those receiving passports, the 60-to-76 age group received the most, with 138,000, followed by the 50-to-59 age group, with about 133,000 passports. These two groups accounted for more than two-thirds of all applicants.

During 1959, the rate of increase of American tourists traveling in Europe fell to about 50 percent of the 1958 surge, whereas the rate of increase in tourism to the Pacific and the Far East rose by 43 percent.

Capital Invested per Employee

According to the May, 1960, issue of *Business Record,* capital invested per employee in all corporate industry amounted to $13,230 in 1957, an increase of nearly $700 over the 1956 figure. Nonmanufacturing corporations had a capital investment per employee of about $13,540 in 1957, compared with an average of $12,910 per employee for manufacturers. Since 1948 manufacturers have increased their per-employee investment by 67 percent and nonmanufacturers have raised theirs by 62 percent.

The accompanying chart shows that during the ten-year period nonmanufacturing recorded increases each year in capital investment per employee, with the largest gain, $1,040, registered in 1950, when total capital investment rose $16 million and employment advanced only 2 percent. There was a decline of $180 in investment per employee in manufacturing during 1953, but in the following year this sector registered its largest increase, $1,040, because of a decline of 7 percent in employment and a rise of $4 billion in capital invested.

Among the five major groups making up the nonmanufacturing sector, the public utilities group had the highest per-employee investment in 1957, with an average of $31,220; over the ten-year period, it had increased its per-employee investment 86 percent. Mining was next, with $15,100 invested per employee, reflecting the sharpest growth of any industry, with a gain of 128 percent between 1948 and 1957. This rise, however, was due as much to a decline in employment as to an increase in investment. Wholesale and retail trade corporations registered a 54 percent gain, their per-employee investment amounting to more than $10,500 in 1957.

LOCAL ILLINOIS DEVELOPMENTS

In April the major indexes of Illinois business showed diverse movements. Construction contracts jumped 46 percent above March, and seasonally adjusted department store sales in Chicago rose 8 percent. The major decline was in coal production, which dropped 25 percent. Declines of 14 percent and 9 percent, respectively, were experienced in bank debits for selected cities and electric power consumption during the month.

Business Failures in Illinois

According to Dun and Bradstreet reports, Illinois business failures totaled 663 in 1959, an increase of 7 percent over 1958. At the same time, the number of business failures for the nation as a whole declined 6 percent.

The total dollar liability of the failures in 1959 amounted to almost $40 million, as compared with $35 million in 1958. For the entire nation, total dollar liability decreased from $728 million in 1958 to $693 million in 1959.

For Illinois, present indications point toward further rises in the number of business failures. During the first four months of 1960, there were 257 failures reported compared with 229 in 1959 and 204 in 1958 for the same period. In 1959 business failures in Chicago numbered 303, or nearly 9 percent below 1958, but from January, 1960, through April, 1960, reported business failures were 11 percent above the same period last year and 17 percent above 1958.

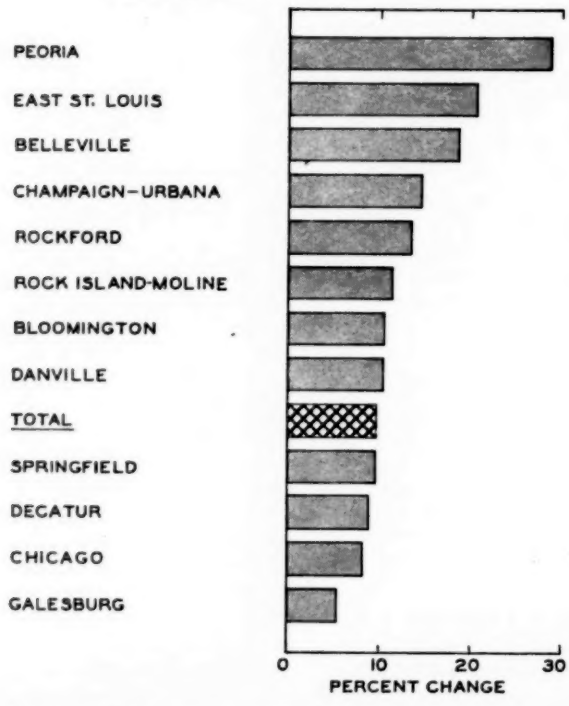
Electric Power Consumption

Increased business activity during 1959 resulted in a rise of nearly 7 percent over 1958 in the use of electric power in Illinois. Approximately 41.7 billion kilowatt-hours were consumed in 1959, as compared with 39.0 billion kilowatt-hours in 1958. Fourteen selected cities consumed 14.5 billion kilowatt-hours or 35 percent of the electric power consumed in the entire State.

All of the fourteen cities showed advances in power use in 1959, with Peoria, East St. Louis, and Belleville having the greatest gains — 29 percent, 21 percent, and 19 percent respectively (see chart). On the other hand, Galesburg and Chicago experienced the smallest increases, with gains of 5 percent and 8 percent respectively.

Electric power consumption in the city of Alton rose from 161 million kilowatt-hours in 1958 to 321 million kilowatt-hours in 1959. This gain, however, was chiefly the result of the annexation by the city of additional area which included three large commercial users that accounted for the consumption of nearly 146 million kilowatt-hours in 1959, or about 91 percent of the increase that occurred in Alton during 1959.

PERCENTAGE CHANGES IN ELECTRIC POWER CONSUMPTION, 1958 TO 1959



Sources: Local power companies.

Farm Real Estate Values

In the May, 1960, *Farm Real Estate Market,* farm real estate value for the United States, which includes both land and buildings, was estimated at $129.1 billion on March 1, 1960, or about $111 per acre of farm land. Although farm real estate values rose $4 billion from the year before, the increase was much less than the advances of 6 to 8 percent a year in 1956, 1957, and 1958.

Among the 48 states for which records are available, Illinois was the only one to show no change in farm land values from March, 1959, to March, 1960. Farm land values did increase about 1 percent in the spring of 1959, but they then dropped back to the previous level during the fall and winter months. The decrease was the result of the decline in the number of sales of central Illinois land at extremely high prices. Farm sales serve as the basis of estimates of changes in farm values.

Illinois ranked third in total value of farm land ($8.9 billion) in March, 1960, behind California ($12.3 billion) and Texas ($11.7 billion). Among the principal agricultural states, California continues to lead, with a farm value of $326 per acre. Illinois ranked second with a value of $294 per acre, followed in order by Indiana ($250), Ohio ($246), and Iowa ($245).

The St. Lawrence Seaway

The May, 1960, issue of *Business Conditions* reported that, although the cargo traffic on the St. Lawrence Seaway in 1959 was below earlier predictions, shipments totaled 20.4 million tons, compared with 11.8 million tons in 1958. Over 3,300 ocean and lake vessels used the Seaway, one-third of which could not have passed through the old St. Lawrence Canal.

There is evidence that, owing to lower shipping costs resulting from larger vessels and reduced transshipment, some cargo which was formerly moved by rail to Atlantic ports for shipment overseas was shipped directly from lake ports via the Seaway. The number of freight cars arriving at North Atlantic ports carrying goods for export dropped 17 percent from 1958 to 1959, in contrast to a decline of only 3 percent in arrivals at all major United States ports.

Over 2 million tons of cargo that passed through the Seaway was loaded or unloaded at Chicago. In 1959, water-borne exports from Chicago increased almost 170 percent over the preceding year, and its imports rose 117 percent. In terms of general cargo (as distinct from bulk cargo, e.g., iron ore), Chicago was the most important port on the Great Lakes.

COMPARATIVE ECONOMIC DATA FOR SELECTED ILLINOIS CITIES

April, 1960

		Building Permits[1] (000)	Electric Power Consumption[2] (000 kwh)	Estimated Retail Sales[3] (000)	Department Store Sales[4]	Bank Debits[4] (000,000)	Postal Receipts[5] (000)
ILLINOIS		**$38,302**[a]	**1,211,814**[a]	**$555,889**[a]		**$17,834**[a]	**$18,573**[a]
Percentage change from	Mar., 1960	+2.5	−6.3	+8.5	+23	−13.5	+7.5
	Apr., 1959	+0.4	+0.7	−3.1	+13	+0.7	+7.6
NORTHERN ILLINOIS							
Chicago		**$27,637**	**887,394**	**$411,142**		**$16,393**	**$16,322**
Percentage change from	Mar., 1960	+1.4	−7.2	+7.8	+21	−14.2	+8.9
	Apr., 1959	+8.6	+1.7	−3.4	+12	+0.9	+8.3
Aurora		**$1,473**	n.a.	**$ 9,330**		**$ 79**	**$ 171**
Percentage change from	Mar., 1960	+83.7		+10.4	+37	−4.9	+9.3
	Apr., 1959	+105.2		+3.7	+22	+7.5	−1.4
Elgin		**$ 387**	n.a.	**$ 6,029**		**$ 51**	**$ 116**
Percentage change from	Mar., 1960	−24.1		+11.5	n.a.	+2.3	−1.6
	Apr., 1959	−17.3		+1.7		+10.4	+4.7
Joliet		**$ 561**	n.a.	**$10,707**		**$ 89**	**$ 102**
Percentage change from	Mar., 1960	−47.8		+12.3	+33	−4.9	−10.4
	Apr., 1959	−49.8		+2.7	+16	+4.6	−13.0
Kankakee		**$ 80**	n.a.	**$ 4,572**		n.a.	**$ 83**
Percentage change from	Mar., 1960	+17.6		+4.2	n.a.		+4.4
	Apr., 1959	−38.0		−7.9			+24.3
Rock Island-Moline		**$1,558**	**27,585**	**$10,380**		**$ 115**[b]	**$ 187**
Percentage change from	Mar., 1960	+102.3	−3.0	+6.8	n.a.	+1.0	−1.7
	Apr., 1959	−2.3	+6.0	−2.7		+3.8	+6.5
Rockford		**$1,031**	**52,245**[c]	**$18,617**		**$ 206**	**$ 274**
Percentage change from	Mar., 1960	+48.6	−5.3	+12.1	+36[c]	−9.1	+1.7
	Apr., 1959	−49.1	+7.9	+5.0	+10[c]	+9.3	+6.7
CENTRAL ILLINOIS							
Bloomington		**$ 861**	**10,867**	**$ 4,999**		**$ 72**	**$ 110**
Percentage change from	Mar., 1960	+27.2	−0.6	+7.1	n.a.	−1.4	−13.5
	Apr., 1959	+72.2	+28.1	−4.4		+1.7	+7.2
Champaign-Urbana		**$ 381**	**14,594**	**$ 7,637**		**$ 82**	**$ 126**
Percentage change from	Mar., 1960	−29.2	−5.9	+12.0	n.a.	+0.4	+0.7
	Apr., 1959	−46.8	+10.7	−4.6		+1.6	+1.4
Danville		**$ 508**	**14,166**	**$ 6,675**		**$ 53**	**$ 75**
Percentage change from	Mar., 1960	−51.5	−1.0	+30.0	+45	+8.9	+12.2
	Apr., 1959	+98.3	+2.8	+12.3	+8	+2.4	+9.4
Decatur		**$ 803**	**36,830**	**$10,951**		**$ 123**	**$ 139**
Percentage change from	Mar., 1960	+110.2	+1.0	+11.0	+31[c]	+3.1	+17.0
	Apr., 1959	+13.6	+3.7	−2.3	+10[c]	+2.6	+15.5
Galesburg		**$ 404**	**9,572**	**$ 4,123**		n.a.	**$ 51**
Percentage change from	Mar., 1960	+78.0	−0.5	+12.1	n.a.		+2.9
	Apr., 1959	+270.6	−7.2	−11.6			+20.3
Peoria		**$ 559**	**59,673**[c]	**$16,769**		**$ 221**	**$ 301**
Percentage change from	Mar., 1960	−59.8	−1.2	+11.2	+24	−6.6	−12.9
	Apr., 1959	−43.5	−23.0	−6.3	+9	−10.1	+3.9
Quincy		**$ 275**	**11,504**	**$ 4,718**		**$ 48**	**$ 74**
Percentage change from	Mar., 1960	+189.5	+2.3	+8.1	+22	−2.2	+2.1
	Apr., 1959	−84.6	+0.2	−5.8	+11	−0.8	+8.9
Springfield		**$1,149**	**36,637**[c]	**$11,781**		**$ 125**	**$ 278**
Percentage change from	Mar., 1960	+20.8	−9.5	+5.6	+46[c]	−7.9	−0.3
	Apr., 1959	+26.1	+7.7	−9.1	+28[c]	−7.8	−9.8
SOUTHERN ILLINOIS							
East St. Louis		**$ 258**	**16,597**	**$ 8,157**		**$ 134**	**$ 79**
Percentage change from	Mar., 1960	+405.9	−2.9	+9.9	n.a.	−12.2	+0.3
	Apr., 1959	+46.6	+10.5	−8.7		−12.2	+8.3
Alton		**$ 247**	**22,490**	**$ 4,906**		**$ 43**	**$ 40**
Percentage change from	Mar., 1960	−69.0	−12.8	+8.5	n.a.	−13.7	−1.8
	Apr., 1959	−2.0	−16.1	+0.7		−1.6	+8.9
Belleville		**$ 130**	**11,660**	**$ 4,396**		n.a.	**$ 45**
Percentage change from	Mar., 1960	+36.4	−1.8	+13.7	n.a.		−16.5
	Apr., 1959	−45.1	+18.8	−3.1			−5.1

[a] Total for cities listed. [b] Includes East Moline. [c] Includes immediately surrounding territory. n.a. Not available.

Sources: [1] U. S. Bureau of Labor Statistics. Data include federal construction projects. [2] Local power companies. [3] Illinois Department of Revenue. Data are for March, 1960. Comparisons relate to February, 1960, and March, 1959. [4] Research Departments of Federal Reserve Banks in Seventh (Chicago) and Eighth (St. Louis) Districts. Department store sales percentages rounded by original sources. [5] Local post office reports. Four-week accounting periods ending April 29, 1960, and May 1, 1959.

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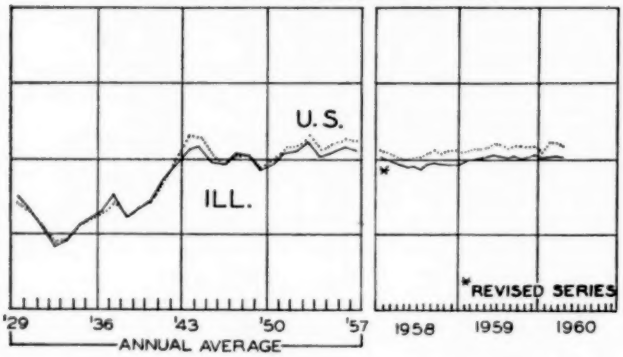
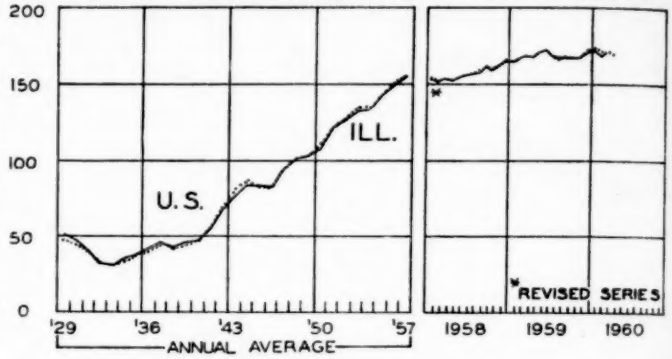
INDEXES OF BUSINESS ACTIVITY

1947-1949 = 100

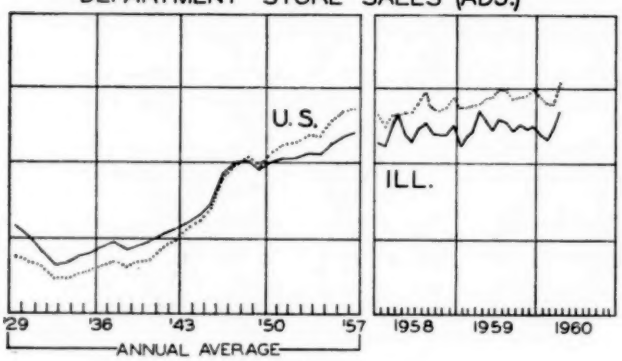
EMPLOYMENT MANUFACTURING



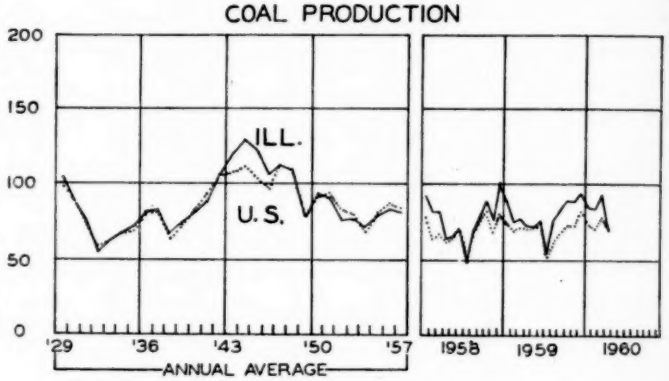
AVERAGE WEEKLY EARNINGS—MANUFACTURING



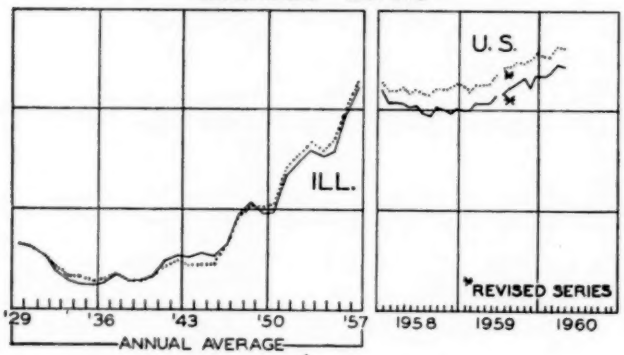
DEPARTMENT STORE SALES (ADJ.)



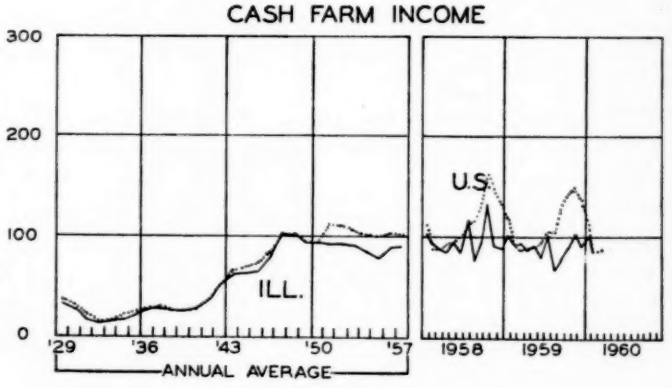
COAL PRODUCTION



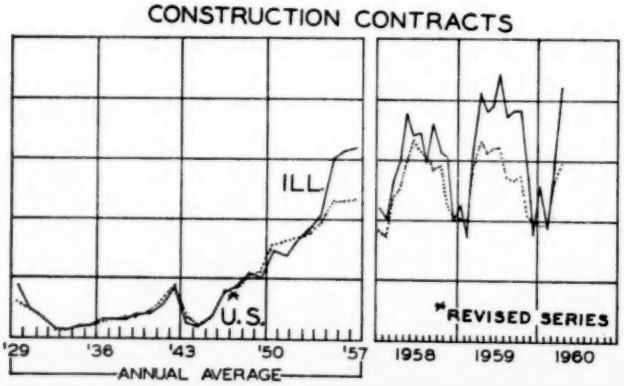
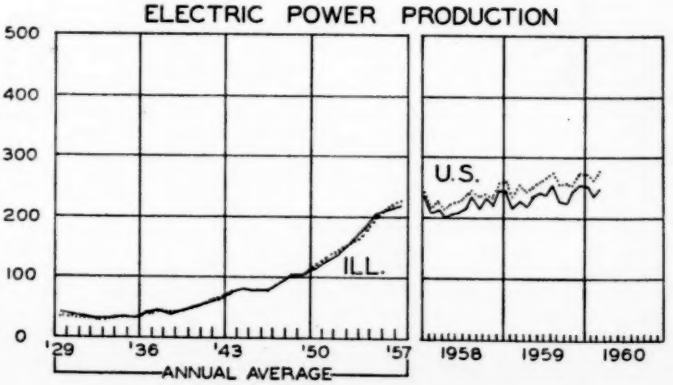
BUSINESS LOANS



CASH FARM INCOME



CONSTRUCTION CONTRACTS



ELECTRIC POWER PRODUCTION